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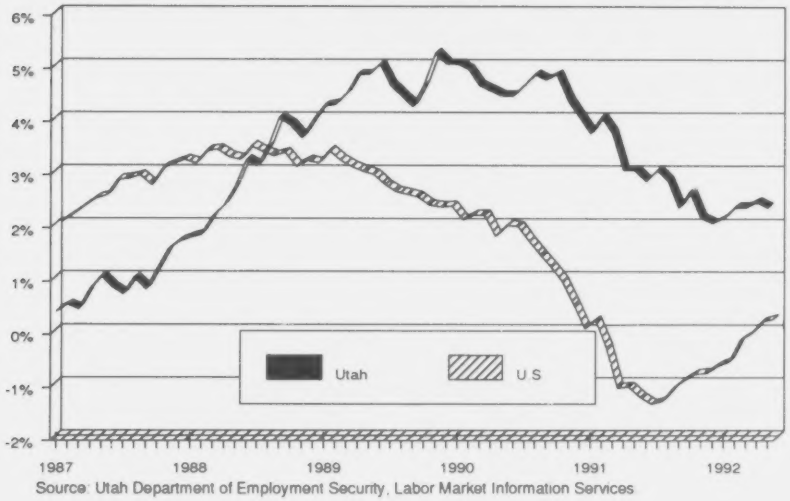
Utah Labor Market Report

May 1992
Volume 2, No. 5

Year-Over Percent Change in Nonfarm Jobs



Source: Utah Department of Employment Security, Labor Market Information Services

Utah's Labor Market holds the line in May

Not much changed in Utah's job market in May. Unemployment and job growth remained virtually static. . . in constrast once again with the national scene.

Joblessness in the State of Utah remained unchanged at 4.7 percent in May 1992. Utah continues to be slightly out of 'sync' with the national rate which jumped up to 7.5 percent in May. Utah's jobless rate now registers nearly 3 percentage points below the national average. Roughly 38,400 Utahns were out of work and looking for a job in May—up only about 5 percent from May 1991. Accordingly, the May 1992 jobless rate registers only slightly above the year-ago rate of 4.5 percent.

Although some economists express concern over the rise in the national unemployment rate this month, remember that the increase in national joblessness came from entrants and re-entrants to the labor market rather than from lay offs. Apparently, previously discouraged workers have been encouraged by the improvement in the economy and have started looking for work once again. Nationally, the good news is that the U.S. is creating jobs. In other words, the rise in U.S. joblessness is not necessarily as serious as it may appear at first glance—and does *not* mean the national recovery is stalled. Utah's economy should continue to grow and improve on a moderated rather than a boom timetable.

Utah's job growth has exhibited little change over the past several months. Since May 1991, the State has created 18,000 new nonfarm jobs for a growth rate of about 2.5 percent.

Manufacturing was the only major industry to ex-

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THE RATE *(Seasonally Adjusted)*

May 1992	Utah	4.7%	U.S.	7.5%
Apr 1992	Utah	4.7%	U.S.	7.2%
May 1991	Utah	4.5%	U.S.	6.9%

NONFARM JOBS *(% change from a year ago)*

Apr 1992	Utah	2.4%	U.S.	0.02%

CPI-U *(Base Year 1982-84 = 100)*

Mar 1992	U.S.	139.5	Yr-over chng	3.2%

PPI *(Base Year 1982-84 = 100)*

Mar 1991	U.S.	116.3	Yr-over chng	0.3%

perience declining jobs on a year-to-year basis. This sector encompassed 1,100 fewer jobs in May 1992 than in May 1991—a decline of about 1 percent. Despite this decline, this sector does seem to be turning around with fewer and fewer jobs lost. However, several subcategories within the manufacturing industry continue to suffer significant distress. Transportation equipment production is down a whopping 10 percent from last year—largely the result of defense spending cuts in the aerospace industry. Electric machinery and supplies manufacturing—down 8 percent—has also lost a substantial number of jobs.

Mining turned a corner this month by showing a 100 job gain instead of continuing job losses. Coal mining employment levels are still down compared to May 1991, but both metal mining and oil/gas extraction are showing gains.

Construction took a marginal lead in the neck-and-neck race for the fastest growing Utah industry. Construction employment is up 5 percent from May 1991—a 1,600 job increase. Continued strong growth in residential building and several new, large nonresidential projects should keep this industry in the fast lane of job creation.

The finance/insurance/real estate industry followed closely behind the construction industry with a growth rate just less than 5 percent. The additional 1,700 jobs sported by this industry are primarily the result of new financial services centers in the State.

Services continued to produce the largest share of new Utah employment. Since May 1991, the service industry has added 7,200 new positions for a 4 percent expansion rate. Fast growing service industries continue to include computer services (including software companies), medical/health services, and engineering and management services—all showed growth rates above 6 percent.

Trade made a moderate showing with a 3 percent, 5,600 job gain. Retail trade made the largest contributions to this increase—only auto dealers/gas stations experienced declining employment.

Government turned in another lackluster performance. Jobs are up 1.5 percent, with federal defense cuts dampening growth. Altogether, the public sector created 2,300 net new jobs.

This moderate recovery from a moderate (yes moderate) recession will benefit Utah and the nation more than the traditional boom and bust performance of past decades. ❐

Lecia Parks Langston
Chief Economist

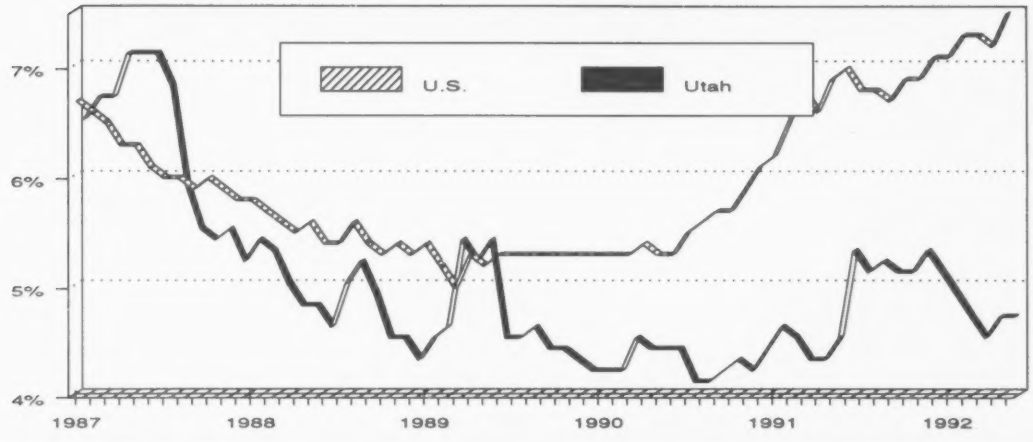
■ ***Utah's labor market remained virtually unchanged in May.***

■ ***The rise in U.S. unemployment came from labor force entrants, rather than layoffs.***

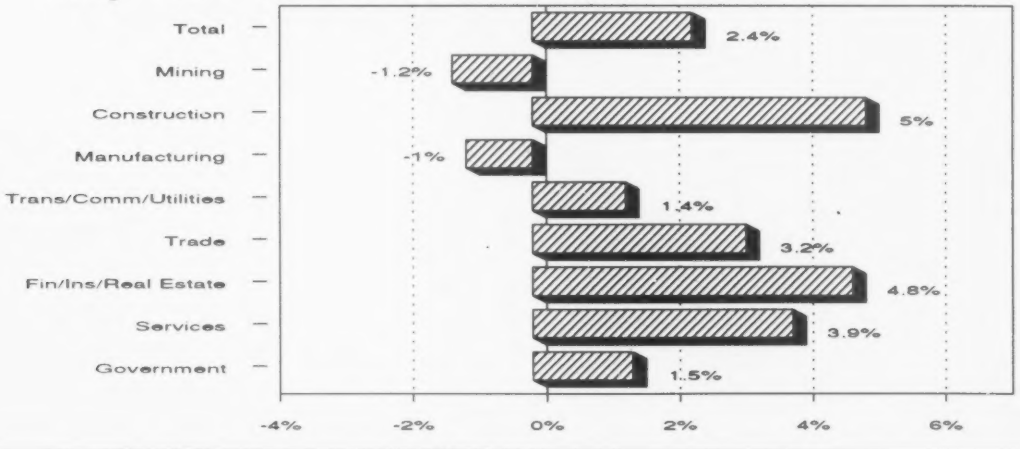
■ ***At 4.7 percent, Utah joblessness stands 2.8 points below the U.S. average.***

■ ***Construction and finance/insurance/real estate are the fastest growing Utah industries.***

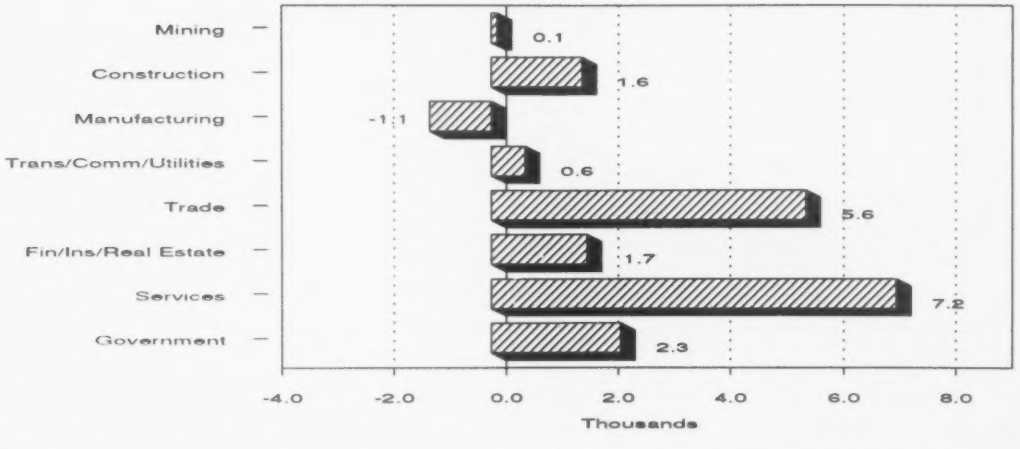
Seasonally Adjusted Unemployment Rates



May 1991-92 Percent Growth in Nonfarm Jobs



May 1991-92 Nonfarm Job Growth



Source: U. S. Department of Labor, Bureau of Labor Statistics; and Utah Department of Employment Security, Labor Market Information Services.

RAW

Table 1. Utah Civilian Labor Force and Nonagricultural Jobs, Not Seasonally Adjusted *(Numbers in Thousands)*

	May 1992(f)	May 1991	Percent Change	Apr 1992(p)	Mar 1992(r)
CIVILIAN LABOR FORCE	**810.2**	**798.6**	**1.5**	**810.1**	**807.0**
Employed	**770.3**	**760.5**	**1.3**	**767.8**	**766.7**
Unemployed	**39.9**	**38.0**	**5.0**	**42.3**	**40.3**
Percent of Labor Force	4.9	4.8	—	5.2	5.0
NONAGRICULTURAL JOBS	**761.5**	**743.5**	**2.4**	**755.6**	**752.3**
Mining	**8.5**	**8.4**	**1.2**	**8.4**	**8.4**
Metal Mining	3.1	3.0	3.3	3.0	3.0
Bituminous Coal Mining	2.1	2.2	-4.5	2.1	2.1
Oil/Gas Extraction & Quarrying*	3.3	3.2	3.1	3.3	3.3
Contract Construction	**33.7**	**32.1**	**5.0**	**30.9**	**28.5**
Manufacturing	**103.8**	**104.9**	**-1.0**	**103.4**	**103.8**
Durable Goods	68.2	69.5	-1.9	68.0	68.8
Primary Metals	*5.9*	*6.1*	*-3.3*	*5.8*	*5.9*
Fabricated Metals, Machinery, & Computers	*14.3*	*14.4*	*-0.7*	*14.2*	*14.2*
Electrical/Electric Equipment (ex. Computers)	*9.2*	*10.0*	*-8.0*	*9.3*	*9.3*
Transportation Equipment	*15.2*	*16.9*	*-10.1*	*15.3*	*16.0*
*Lumber/Furniture,Stone/Clay/Glass**	*10.1*	*10.0*	*1.0*	*10.0*	*10.0*
*Other Durable Goods**	*13.5*	*12.1*	*11.6*	*13.4*	*13.4*
Nondurable Goods	35.6	35.4	0.6	35.4	35.0
Food & Related Products	*11.9*	*11.5*	*3.5*	*11.7*	*11.3*
*Other Nondurable Goods**	*23.7*	*23.9*	*-0.8*	*23.7*	*23.7*
Transportation, Communications, & Utilities	**42.8**	**42.2**	**1.4**	**42.6**	**42.6**
Railroad Transportation	2.5	2.6	-3.8	2.5	2.5
Trucking & Warehousing	15.4	15.3	0.7	15.1	15.1
Transportation by Air*	7.0	6.9	1.4	7.0	7.0
Other Transportation & Related Services*	3.2	3.1	3.2	3.3	3.3
Communications	7.0	6.5	7.7	7.0	7.0
Electric, Gas, & Sanitary Services	7.7	7.8	-1.3	7.7	7.7
Trade	**182.8**	**177.2**	**3.2**	**180.2**	**178.9**
Wholesale Trade	41.6	41.1	1.2	41.4	41.0
*Durable Goods**	*24.3*	*24.5*	*-0.8*	*24.3*	*23.9*
*Nondurable Goods**	*17.3*	*16.6*	*4.2*	*17.1*	*17.1*
Retail Trade	141.2	136.1	3.7	138.8	137.9
Food Stores	*24.9*	*23.9*	*4.2*	*24.4*	*24.3*
Auto Dealers/Parts Stores, & Gas Stations	*15.4*	*15.8*	*-2.5*	*15.3*	*15.0*
Eating & Drinking Places	*47.0*	*44.8*	*4.9*	*46.0*	*45.5*
*Home Furniture/Equipment & Clothing Stores**	*12.9*	*11.8*	*9.3*	*12.8*	*13.0*
*Gen. Merchandise/Building & Garden Supply**	*23.5*	*22.4*	*4.9*	*23.1*	*22.7*
Miscellaneous Retail	*17.5*	*17.4*	*0.6*	*17.2*	*17.4*
Finance, Insurance, & Real Estate	**37.3**	**35.6**	**4.8**	**37.1**	**37.3**
Depository Institutions*	13.6	13.3	2.3	13.5	13.5
Other Finance/Insurance/Real Estate*	23.7	22.3	6.3	23.6	23.8
Services	**192.2**	**185.0**	**3.9**	**194.2**	**194.3**
Hotels & Lodging Places	12.1	12.0	0.8	12.6	13.2
Personal, Amusement & Recreational*	18.9	18.2	3.8	18.5	19.0
Computer-Related*	9.7	9.1	6.6	9.7	9.8
Other Business Services*	32.2	31.5	2.2	31.5	31.4
Auto Repair/Rental/Parking*	6.6	6.5	1.5	6.6	6.6
Health	50.5	47.6	6.1	50.2	50.1
Education/Social & Membership Organizations*	35.2	34.8	1.1	38.6	38.4
Legal & Miscellaneous Services	5.5	5.3	3.8	5.4	5.4
Engineering, Accounting, & Related*	15.8	14.4	9.7	15.6	15.5
Other Repair/Ag. Services & Museums, etc.*	5.7	5.6	1.8	5.5	4.9
Government	**160.4**	**158.1**	**1.5**	**158.8**	**158.5**
Federal Government	38.7	39.5	-2.0	38.6	38.4
*U.S. Defense**	*18.3*	*19.5*	*-6.2*	*18.4*	*18.5*
*Other Federal**	*20.4*	*20.0*	*2.0*	*20.2*	*19.9*
State Government	45.9	44.9	2.2	45.6	45.2
*State Education**	*25.2*	*25.0*	*0.8*	*25.1*	*24.9*
*Other State**	*20.7*	*19.9*	*4.0*	*20.5*	*20.3*
Local Government	75.8	73.7	2.8	74.6	74.9
Local Education	*48.1*	*47.1*	*2.1*	*47.8*	*48.2*
*Other Local**	*27.7*	*26.6*	*4.1*	*26.8*	*26.7*

Source: Utah Department of Employment Security, Labor Market Information Services. Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics (BLS). NOTE: Forecast data and cells marked by an asterisk (*) are not sanctioned by BLS. Some figures are not strictly comparable due to reclass..ication

ADJUSTED

Table 2. Utah Civilian Labor Force and Nonagricultural Jobs Seasonally Adjusted *(Numbers In Thousands)*

	May 1992(f)	May 1991	Percent Change	Apr 1992(p)	Mar 1992(r)
CIVILIAN LABOR FORCE	**816.5**	**805.0**	**1.4**	**818.3**	**818.0**
Employed	**778.1**	**768.4**	**1.3**	**779.5**	**781.5**
Unemployed	**38.4**	**36.6**	**4.9**	**38.8**	**36.5**
Percent of Labor Force	4.7	4.5	---	4.7	4.5
NONAGRICULTURAL JOBS	**763.2**	**745.1**	**2.4**	**757.2**	**757.1**
Mining	**8.6**	**8.5**	**1.2**	**8.6**	**8.3**
Contract Construction	**33.8**	**32.2**	**5.0**	**33.1**	**32.4**
Manufacturing	**104.0**	**105.1**	**-1.0**	**104.1**	**104.7**
Durable Goods	68.2	69.5	-1.9	68.4	69.4
Nondurable Goods	35.8	35.6	0.6	35.8	35.4
Trans., Comm., Public Utilities	**42.9**	**4.23**	**1.4**	**42.7**	**43.0**
Trade	**184.2**	**178.5**	**3.2**	**183.1**	**182.6**
Wholesale	41.7	41.2	1.2	41.8	41.3
Retail	142.4	137.3	3.7	141.4	141.3
Finance, Insurance & Real Estate	**37.2**	**35.5**	**4.8**	**37.1**	**37.3**
Services	**196.3**	**188.9**	**3.9**	**192.8**	**193.1**
Government	**156.1**	**153.9**	**1.4**	**155.6**	**155.7**
Federal Government	38.3	39.0	-2.0	38.2	38.4
State Government	44.6	43.6	2.2	44.5	43.7
Local Government	73.2	71.2	2.8	72.8	73.6

Source: Utah Department of Employment Security, Labor Market Information Services.

HOURS AND EARNINGS

Table 3. Hours and Earnings of Production Workers in Utah

	Average Hourly Earnings				Average Weekly Hours			
	Apr 1992(p)	Apr 1991	% Chng	Mar 1992(r)	Apr 1992(p)	Apr 1991	% Chng	Mar 1992(r)
MINING	**$14.98**	**$14.92**	**0.4**	**$15.25**	**44.3**	**44.5**	**-0.4**	**43.2**
Metal Mining	13.70	13.44	1.9	13.86	49.6	46.2	7.4	45.3
Bituminous Coal Mining	18.74	17.75	5.6	18.76	43.3	44.5	-2.7	44.9
MANUFACTURING	**11.16**	**10.64**	**4.9**	**11.09**	**39.7**	**39.3**	**1.0**	**40.0**
Durable Goods	11.44	10.81	9.2	11.40	40.7	39.7	2.5	40.5
Primary Metals	13.97	13.11	6.6	14.05	43.0	42.1	2.1	42.5
Fabricated Metal Prod. and Mach.	11.17	10.34	8.0	11.12	37.9	40.5	-6.4	39.0
Transportation Equipment	14.86	13.33	11.5	14.78	42.3	40.4	4.7	41.0
Nondurable Goods	10.58	10.29	2.8	10.48	37.9	38.3	-1.0	39.0
Food and Kindred Products	9.59	9.04	6.1	9.58	36.3	38.9	-6.7	38.3
TRADE	**7.89**	**7.63**	**3.4**	**7.89**	**29.1**	**28.5**	**2.1**	**28.6**
Wholesale	10.28	10.18	1.0	10.14	36.3	37.0	-1.9	35.8
Retail	7.03	6.65	5.7	7.08	27.2	26.2	3.8	26.7
Food Stores	7.55	6.65	13.5	7.56	25.3	26.2	-3.4	24.9
General Merchandise	6.34	6.19	2.4	6.25	25.3	25.8	-1.9	24.9

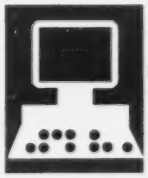
Note: Average hours include hours actually worked or remunerated. Average hourly earnings include incentive and premium pay. Data may be affected by labor disputes.

Source: Utah Department of Employment Security, Labor Market Information Services. Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Economic Events

Please note: Information contained in Economic Events is obtained from regional newspapers, local Job Service offices, trade publications, clipping services, and local area Chamber of Commerce publications.

- Jennmar Corporation, A Pittsburgh, Pennsylvania-based manufacturer of mine roof support systems, is planning to relocate its Helper Utah manufacturing facility to South Main Street in Clearfield. Jennmar will construct a 30,000 square-foot manufacturing facility on a five acre site. The new facility is expected to be operational by September, and will have a staff of 20 to 25 workers.
- The Great Western Chemical Company, which has operated in Salt Lake City since the late 1970s will build a storage, distribution, and drumming facility at 2200 West Directors Row in Salt Lake City. The Portland-based company has been leasing space in the Salt Lake area, and the move to build its own plant is designed to tighten its operations. The project will be built in two phases. The first phase, scheduled to begin in June will include storage tanks, drum storage, and trucking facilities. The second phase will be a 30,000 square-foot office and warehouse.
- Merit Medical, the fast growing Murray-based manufacturer of medical devices, has received permission from the city of South Jordan to build a 120,000 square-foot corporate headquarters complex. The new facility will contain office space, research and development facilities, manufacturing capabilities, and a warehouse. The firm currently employs 250 workers, but the move is expected to boost employment to 350.
- R. R. Donnelley & Company, the world's largest printing company based in Chicago, has purchased Provo-based Professional Lithographers (PROLITHO). With purchase, Donnelley acquires PROLITHO's 126,000 square-foot manufacturing facility. The plant currently employs about 350 people, and the purchase could boost the work force by 150 to 200 new workers.
- Sandy City's South Towne Mall is receiving two additional anchor stores. Chicago-base Montgomery Ward and Mervyn's will join Penney's and ZCMI as the mall's anchors. Negotiations are underway to add a fifth anchor store. The new retail stores create the potential for 1,000 new jobs. ❐



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Few counties show substantial economic improvement—

Utah turned the corner toward better economic times early last winter when nonfarm job growth began gradually accelerating and the unemployment rate started falling. However, in the five months since then, few areas of the State have noted a substantial improvement in economic conditions.

Of course, certain counties barely noticed the slowdown which gripped many areas of the nation. Cache, Morgan, Summit, Iron, Washington, and Grand all have rapidly growing employment; most concurrently have low to moderate unemployment. Although very diverse, these counties have a common characteristic: The demand for the goods and services produced by their economies has not been substantially affected by the recession.

On the other end of the scale, the recession has only broadened ongoing problems for several counties. Garfield's logging industry layoffs have pushed unemployment to 20 percent. Utah's "coal counties" (Carbon and Emery), with unemployment hovering just under 10 percent, are perpetually in economic difficulty. Sanpete, San Juan, Piute, Wayne, Juab, Duchesne, and Uintah round out this category.

A few non-metro counties plod along year after year with modest economic growth and low-to-moderate unemployment. Beaver, Millard, Wasatch, Rich, and Tooele are examples. Normally in this group but recently beset with deteriorating economic conditions are Kane, Sevier, and Box Elder counties.

Utah's four metro counties - Salt Lake, Utah, Weber, and Davis - are all in relatively good economic shape. However, Salt Lake and Utah counties' economies are faring better than those of Weber and Davis.

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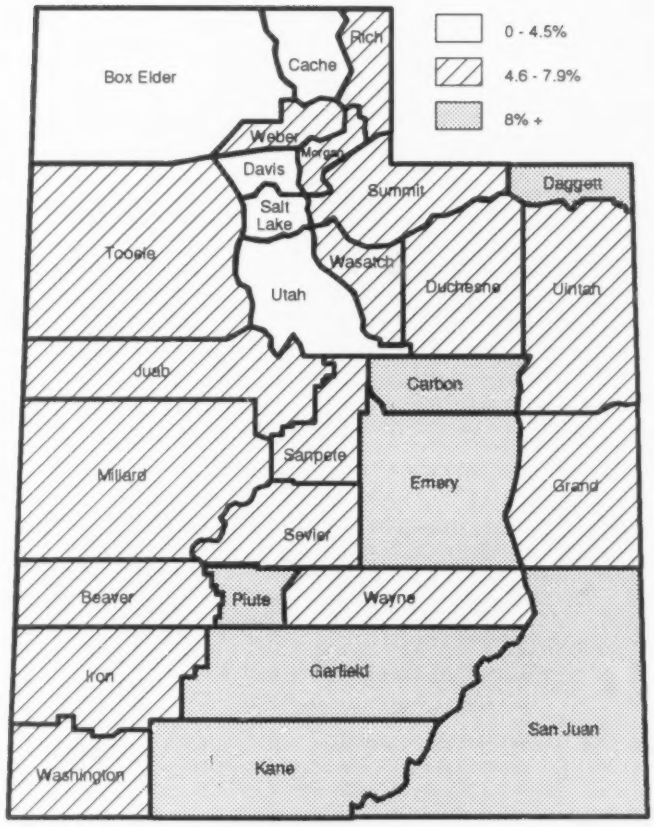


Unemployment Rates May 1992

■ ***Utah's four metro counties - Salt Lake, Utah, Weber, and Davis - are all in relatively good economic shape.***

■ ***Cache, Morgan, Summit, Iron, Washington, and Grand all have rapidly growing employment; most concurrently have low to moderate unemployment.***

■ ***Garfield's logging industry layoffs have pushed unemployment to 20 percent.***

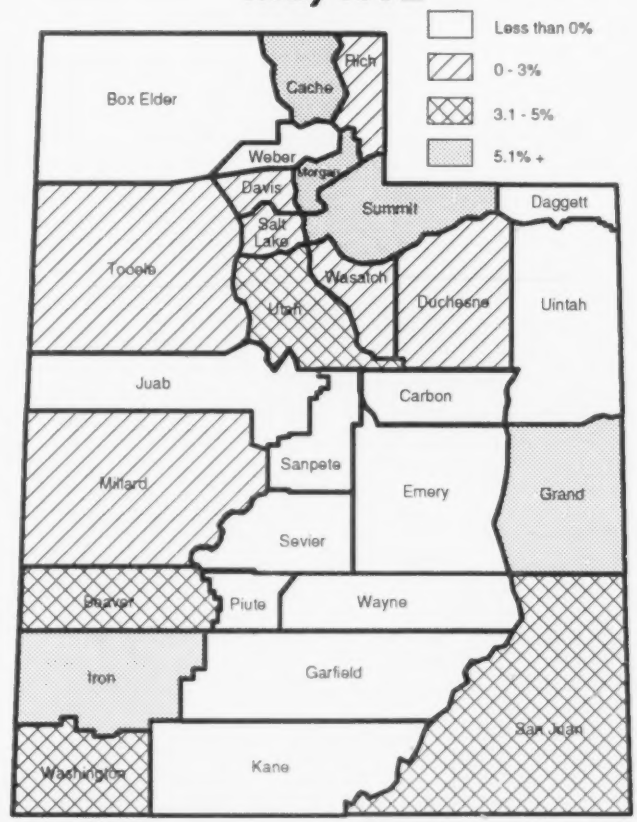
Continued from page 7

In fact, nonfarm job growth rates of 3 percent and unemployment rates of 4 percent in both Salt Lake and Utah counties tempt an analyst to ask, "What recession?" Even so, the combination of defense- and recession-related manufacturing industry layoffs have affected the public sentiment.

Unemployment in Davis County is also only 4 percent, but due to civilian defense layoffs last year, the County's year-over nonfarm job growth is only 1 percent. Weber County's job growth is also near 1 percent, but its unemployment rate is somewhat higher—near 5.5 percent. Layoffs from manufacturing and federal government jobs are largely responsible for this difference, but Weber's rate is still two percentage points lower than the U.S. average. ❐

Kenneth E. Jensen
Labor Market Economist

Year-Over Percent Change in Nonfarm Jobs May 1992



METRO AREAS

Table 4. Civilian Labor Force and Nonfarm Jobs for SaltLake/Ogden and Provo/Orem Metropolitan Statistical Areas ***(Numbers in Thousands)***

	Salt Lake/Ogden					Provo/Orem				
	May 1992(f)	May 1991	Percent Change	Apr 1992(p)	Mar 1992(r)	May 1992(f)	May 1991	Percent Change	Apr 1992(p)	Mar 1992(r)
CIVILIAN LABOR FORCE	**523.0**	**517.0**	1.2	523.4	**520.7**	117.7	115.7	1.7	**120.8**	121.1
Employed	498.6	493.6	1.0	497.7	496.8	112.9	111.0	1.7	115.5	115.9
Unemployed	24.4	23.4	4.3	25.7	23.9	4.8	4.7	2.1	5.3	5.2
Rate	4.7	4.5	——	4.9	4.6	4.0	4.1	——	4.4	4.3
TOTAL NONFARM JOBS	**518.8**	**507.5**	**2.2**	512.8	**510.0**	**99.3**	**96.3**	**3.1**	101.2	**100.9**
Mining	3.3	3.0	10.0	3.2	3.1	.1	.1	0.0	.1	.1
Construction	22.9	21.7	5.5	20.9	19.3	4.7	4.4	6.8	4.3	3.9
Manufacturing	66.8	67.6	-1.2	66.7	66.9	13.7	14.0	-2.1	13.6	13.8
Durable	45.2	46.4	-2.6	45.0	45.5	8.8	9.0	-2.2	8.7	8.9
Nondurable	21.6	21.2	1.9	21.7	21.4	4.9	5.0	-2.0	4.9	4.9
Trans/Comm/Utilities	33.5	32.8	2.1	33.3	33.3	2.3	2.5	-8.0	2.3	2.3
Trade	127.2	124.0	2.6	125.8	125.1	23.8	22.6	5.3	23.4	23.2
Wholesale	33.2	32.9	0.9	33.0	32.8	5.1	4.8	6.3	5.1	5.0
Retail	94.0	91.1	3.2	92.8	92.3	18.7	17.8	5.1	18.3	18.2
Fin/Ins/Real Estate	31.0	29.5	5.1	30.7	30.7	2.5	2.4	4.2	2.4	2.4
Service	130.8	126.1	3.7	129.8	129.4	36.3	34.9	4.0	39.3	39.3
Government	103.3	102.8	0.5	102.4	102.2	15.9	15.4	3.2	15.8	15.9

Source: Utah Department of Employment Security, Labor Market Information Services

By County

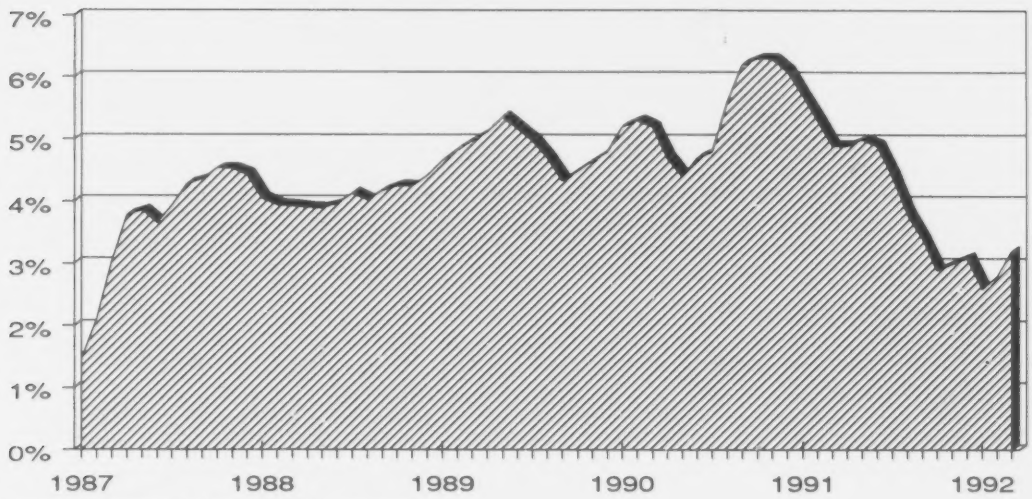
Table 4. Unemployment Rates and Nonfarm Jobs in Utah by County

	Seasonally Adjusted Unemployment Rate				Nonfarm Wage and Salary Jobs				
	May 1992(f)	Apr 1992(p)	Mar 1992(r)	May 1991	May 1992(f)	May 1991	Percent Change	Apr 1992(p)	Mar 1991(r)
STATE TOTAL	**4.7**	**4.7**	**4.5**	**4.5**	**761,500**	**743,580**	**2.4**	**755,600**	**752,300**
Bear River	**4.0**	**4.8**	**4.1**	**4.5**	**46,810**	**45,420**	**3.1**	**46,440**	**46,300**
Box Elder	4.5	4.2	3.2	3.8	15,090	15,210	-0.8	15,030	14,950
Cache	3.7	5.1	4.5	4.8	31,320	29,810	5.1	31,050	31,000
Rich	5.1	4.1	2.2	2.4	400	400	0.0	360	350
Wasatch Front	**4.5**	**4.5**	**4.1**	**4.3**	**530,340**	**518,640**	**2.3**	**524,150**	**521,830**
Wasatch Front North	**4.7**	**4.9**	**4.3**	**4.6**	**130,790**	**129,520**	**1.0**	**129,180**	**127,440**
Davis	4.0	4.1	3.8	4.1	61,510	60,050	2.4	59,710	58,470
Morgan	5.0	4.1	4.8	5.2	1,120	1,050	6.7	1,090	1,080
Weber	5.4	5.7	4.9	5.2	68,160	68,420	-0.4	68,380	67,900
Wasatch Front South	**4.4**	**4.4**	**4.0**	**4.2**	**399,550**	**389,120**	**2.7**	**394,970**	**393,880**
Salt Lake	4.3	4.3	3.9	4.1	389,280	378,990	2.7	384,830	383,780
Tooele	6.1	5.0	4.9	4.8	10,270	10,130	1.4	10,140	10,110
Mountainland	**4.2**	**4.4**	**4.0**	**4.2**	**109,330**	**105,710**	**3.4**	**112,420**	**113,420**
Summit	6.0	5.8	5.7	6.1	7,410	6,780	9.3	8,680	10,210
Utah	4.0	4.2	3.8	4.0	99,190	96,250	3.1	101,120	100,790
Wasatch	6.5	6.9	7.7	6.4	2,730	2,680	1.9	2,620	2,420
Central	**6.8**	**5.8**	**6.9**	**7.0**	**15,910**	**15,970**	**-0.4**	**15,240**	**14,980**
Juab	7.4	7.1	7.7	5.1	1,960	1,990	-1.5	1,930	1,900
Millard	5.5	4.4	5.1	4.9	3,500	3,410	2.6	3,440	3,400
Piute	13.0	9.7	5.3	13.7	200	210	-4.8	200	200
Sanpete	7.5	5.1	9.6	9.0	4,580	4,630	-1.1	4,170	4,120
Sevier	6.4	6.7	5.5	6.7	5,090	5,130	-0.8	4,980	4,900
Wayne	7.9	7.3	6.7	7.6	580	600	-3.3	520	460
Southwestern	**5.9**	**5.5**	**5.0**	**4.8**	**30,320**	**29,040**	**4.4**	**29,220**	**28,600**
Beaver	5.6	4.1	4.1	4.2	1,440	1,390	3.6	1,420	1,440
Garfield	19.5	17.8	17.1	13.8	1,550	1,580	-1.9	1,280	1,110
Iron	5.5	5.3	3.4	4.3	8,630	7,920	9.0	8,580	8,520
Kane	8.9	7.6	7.8	7.6	1,700	1,750	-2.9	1,540	1,350
Washington	4.9	4.7	4.6	4.1	17,000	16,400	3.7	16,400	16,200
Uintah Basin	**7.9**	**7.9**	**6.2**	**6.1**	**11,420**	**11,390**	**0.3**	**11,130**	**10,910**
Daggett	11.2	7.7	4.1	1.8	400	410	-2.4	320	270
Duchesne	7.9	8.5	6.2	6.4	3,980	3,870	2.8	3,910	3,880
Uintah	7.7	7.5	6.3	6.3	7,040	7,110	-1.0	6,900	6,770
Southeastern	**8.4**	**8.7**	**8.4**	**7.3**	**17,410**	**17,440**	**-0.2**	**17,030**	**16,760**
Carbon	8.1	9.5	9.3	6.2	7,480	7,750	-3.5	7,420	7,520
Emery	8.6	9.6	9.1	8.9	3,420	3,520	-2.8	3,340	3,300
Grand	7.6	6.4	5.8	6.8	2,930	2,710	8.1	2,800	2,580
San Juan	9.6	8.3	8.0	8.8	3,580	3,460	3.5	3,470	3,370
Salt Lake/Ogden MSA	**4.4**	**4.5**	**4.0**	**4.3**	**518,950**	**507,460**	**2.3**	**512,920**	**510,150**
Provo/Orem MSA	**4.0**	**4.2**	**3.8**	**4.0**	**99,190**	**96,250**	**3.1**	**101,120**	**100,790**

Source: Utah Department of Employment Security, Labor Market Information Services.

Note: Seasonally adjusted unemployment rates should not be used for federal or state funding applications.

Year-over Percent Increase in U.S. Consumer Price Index



Source: U.S. Department of Labor, Bureau of Labor Statistics

PRICES

Table 6. Current U.S. Price Indexes

	INDEX		% CHANGE FROM	
	Apr 1992	Apr 1991	Prior Year	Prior Month
CONSUMER PRICES (1982-84=100)				
ALL ITEMS (CPI-U[1])	**139.5**	**135.2**	**3.2**	**0.1**
Food and Beverages	138.8	137.2	1.2	0.0
Food at Home	137.4	137.0	0.3	-0.1
Housing	136.5	132.5	3.0	-0.1
Rent Residential	146.2	142.5	2.6	-0.1
Fuel and Other Utilities	115.8	113.1	2.4	0.0
Medical Care	188.1	174.4	7.9	0.4
Apparel and Upkeep	133.3	130.1	2.5	-0.1
Transportation	125.2	122.2	2.5	0.6
Gasoline	94.8	95.9	-1.1	1.7
Energy[3]	99.5	99.5	0.0	0.6
PURCHASING POWER OF CONSUMER DOLLAR: (1982-84 = $1.00)	**$0.717**	**$0.739**	**-3.0**	**-1.0**
ALL ITEMS (CPI-W[2])	**137.3**	**133.3**	**3.0**	**0.2**
PRODUCER PRICES (1982 = 100)				
ALL COMMODITIES	**116.3**	**116.0**	**0.3**	**0.2**
Finished Goods	122.2	121.1	0.9	0.2
Intermediate Materials	113.8	113.9	-0.1	0.2
Crude Materials	98.9	100.8	-1.9	0.3

1 Consumer Price Index—All Urban Consumers.

2 Consumer Price Index—Urban Wage Earners and Clerical Workers.

3 Energy is a special group index consisting of prices paid for the following: fuel oil, coal, bottled gas, electricity, gasoline, and motor oil and coolant. It is not one of the components of the "All Items" as its sub-components are already included.

Source: U. S. Department of Labor, Bureau of Labor Statisitcs.

What's Hot and What's Not In U.S. Occupations

The U.S. Department of Labor's Bureau of Labor Statistics recently released their occupational projections for the time period 1990-2005 which include the following forecasts:

- ***Faster than average growth is projected in the three major occupational groups where workers have the highest level of educational attainment—technicians (37 percent), professional specialty occupations (32 percent), and managers (27 percent).***
- ***Except for service workers, the major groups having workers with the least among to education are projected to grow slower than the average 20 percent growth projected for all occupations.***
- ***Six of the ten fastest growing occupations are related to the rapidly growing health industry.***
- ***Some declining occupations are concentrated in industries with declining employment, such as farmers, farm workers, and sewing machine operators.***
- ***Workers who have the most education have the highest average annual earnings and the lowest unemployment rates.***

New Data, New Publications

The following data and/or publications are now available:

- ☐ ***Facts About Unemployment Insurance in Utah, 1992.***
- ☐ **Final 1991 Employment and Wages by County and Industry.**

If you would like to receive copies, please check the desired items and fill in your name and address.

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Mail to: Labor Market Information Services, Utah Department of Employment Security, P.O. Box 11249, Salt Lake City, UT, 84147-0249.

Births and Deaths among Utah Firms

***Companies come and go—
But which industries portend the greatest chance for the survival of new firms?***

The Utah Employment Security Act requires employers to register with the Department of Employment Security. After this registration, the Department determines an "establishment date" and a "Standard Industrial Code" for these firms. The Department also determines when a firm ceases to exist. Of course, complicating factors appear—such as one company buying out another and establishing a new account number. Nevertheless, after analysts screen this data, it provides a new angle on the labor market picture. This article focuses on industries "born" in 1987 and tracks their survival rates through 1991.

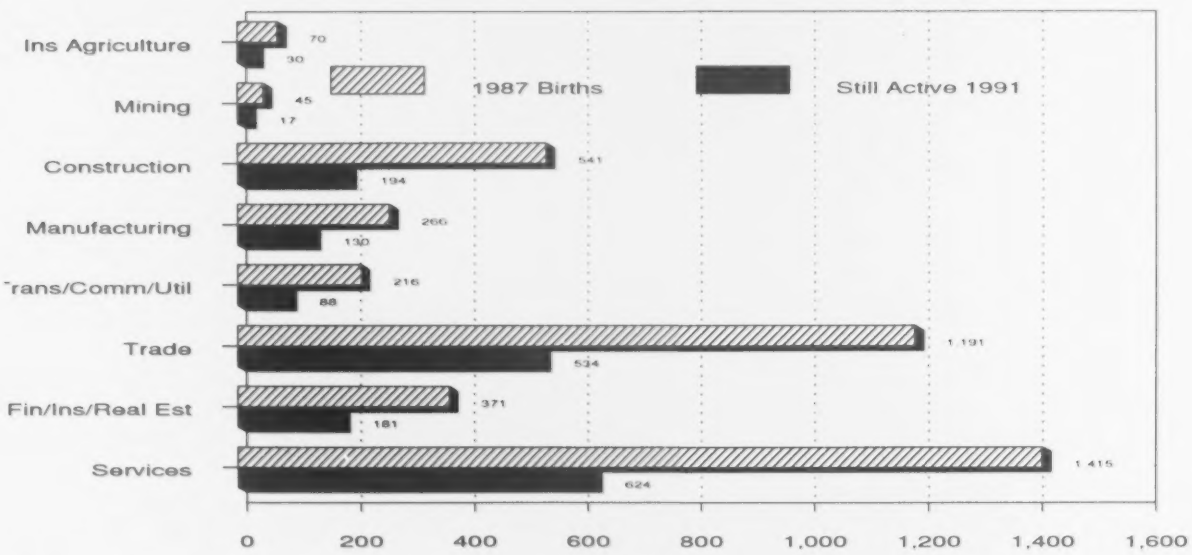
Of the 4,115 Utah firms established in 1987, only 1,798 (44 percent) were still active at the end of 1991. While only 10 percent had gone out of business in the first year after establishment, by the third year almost half had dropped out of the market.

Services Lead

The largest percentage of 1987 establishment births (over 34 percent) and accompanying jobs (nearly 50 percent) were in the service industry—hotels, automotive repair, health services, etc. The high number of births in this industry is partially attributable

Continued on page 13

Births and Survivors of 1987 Firms



Source: Utah Department of Employment Security, Labor Market Information Services.

Utah Firm Births and Deaths in 1987

	Firms Established in 1987	Percent of Total	Active in 1988		Active in 1989		Active in 1990		Active in 1991	
			Total	Percent	Total	Percent	Total	Percent	Total	Percent
Insured Agriculture	70	1.7	63	90.0	50	71.4	38	54.3	30	42.9
Mining	45	1.1	39	86.7	28	62.2	20	44.4	17	37.8
Construction	541	13.1	474	87.6	307	56.7	239	44.2	194	35.9
Manufacturing	266	6.5	246	92.5	191	71.8	145	54.5	130	48.9
Trans/Comm/Utilities	216	5.2	190	88.0	138	63.9	107	49.5	88	40.7
Trade	1,191	28.9	1,080	90.7	812	68.2	629	52.8	534	44.8
Fin/Ins/Real Estate	371	9.0	340	91.6	274	73.9	216	58.2	181	48.8
Services	1,415	34.4	1,298	91.7	979	69.2	768	54.3	624	44.1
Total	**4,115**	**100.0**	**3,730**	**90.6**	**2,779**	**67.5**	**2,162**	**52.5**	**1,798**	**43.7**

Source: Utah Department of Employment Security, Labor Market Information Services.

to the progression of the economy towards a service base *and* the relatively lower start-up costs of these businesses. The inability to export most services over great distances (you wouldn't go to Halifax just to get a hair-cut) also leads to business births as growth in population and incomes occur.

Why So Many?

Why does this sector produce a higher percentage of new jobs than it does new firms? The service industry's emphasis on providing personal service rather than physical goods limits the possibilities for automation leading to a greater utilization of labor and a correspondingly high number of jobs produced. A dependency on part-time workers is another factor contributing to service's higher than average employment. The low average quarterly wage noted in the accompanying tables is due to the large number of part-time and low-skilled workers employed in some service industries.

Major Manufacturing

Despite making up only 6.5 percent of 1987 firm births, the manufacturing sector accounted for more than 11 percent of employment. In addition, manufacturing also generates one of the highest average quarterly wages of the major industries under consideration. Generally, the high capital costs and the need for highly skilled labor combined with the efficiencies of scale associated with large operations produces the higher wages and higher employment per firm in manufacturing.

Surviving the Test

This industry also had the highest four-year survival rate of all major industries. High capitalization costs help ensure only well thought out and researched ventures get funded. The better capitalized a firm is, the more likely it will survive the initial lean years. Furthermore, the costs of quitting business can be substantial due to fixed costs and lack of secondary markets for equipment and materials.

Lowest Survival Rate

The construction industry accounted for over 13 percent of the establishment births in 1987 but was responsible for less than 6 per-

Continued on page 14

Employment and Wages— New 1987 Utah Firms

	Firms Established in 1987	December Employment	% of Total	Avg Employment Per Firm	Avg 4th Qtr Wage
Insured Agriculture	70	184	0.5	2.6	$4,855
Mining	45	225	0.6	5.0	5,534
Construction	541	2,248	5.9	4.2	4,903
Manufacturing	266	4,298	11.4	16.2	4,849
Trans/Comm/Utilities	216	1,215	3.2	5.6	4,588
Trade	1,191	9,232	24.4	7.8	2,118
Fin/Ins/Real Estate	371	2,005	5.3	5.4	3,824
Service	1,415	18,385	48.6	13	2,046
Total	**4,115**	**37,792**	**100.0**	**9.2**	**$2,735**

Source: Utah Department of Employment Security, Labor Market Information Services.

cent of the new employment. Construction also had the lowest four-year survival rate of any of the major industries.

Construction survival and birth rates are determined by some unique characteristics peculiar to this industry. Construction firms can easily enter and exit the market. More so than in other industries, a premium is placed upon experience and reputation in construction industry. For newcomers lacking these qualities, gaining access to a steady supply of work can be difficult. Many construction establishments are small outfits that lack an existence separate from their owners. Thus, when the owner retires or quits, the firm most likely ceases to exist as well.

Other industries showed varied records. Trade accounted for almost 30 percent of new firms in 1987, but showed a survival rate only slightly higher than the service industry's. Not surprisingly, mining showed few new firms and also a low survival rate. Transportation/communications/utilities and finance/insurance/real estate accounted for 5 and 9 percent of the new 1987 births respectively and experienced average survival rates.

Diverse Factors at Work

All new firms survival rates are subject to, and are determined by, many diverse forces—among them market conditions, availability of capital, management quality, and labor markets. In the time-span review, the manufacturing sector had the highest survival rate and the service industry the highest birth rate. As market factors change, the birth and survival rates of firms may also change. ❐

James L. Hall
Merritt L. Dunn
Labor Market Economists

Note: Firms in this study are defined as employers subject to the provisions of the Utah Employment Security Act.

Facts About Unemployment Insurance in Utah—1991

How much money did the average unemployment insurance claimant receive each week?

$160

What is the maximum amount a claimant received each week?

$221

What was the average number of weeks unemployed workers actually received benefits (under the regular program)?

12

What percent of claimants received benefits for the maximum duration of 26 weeks?

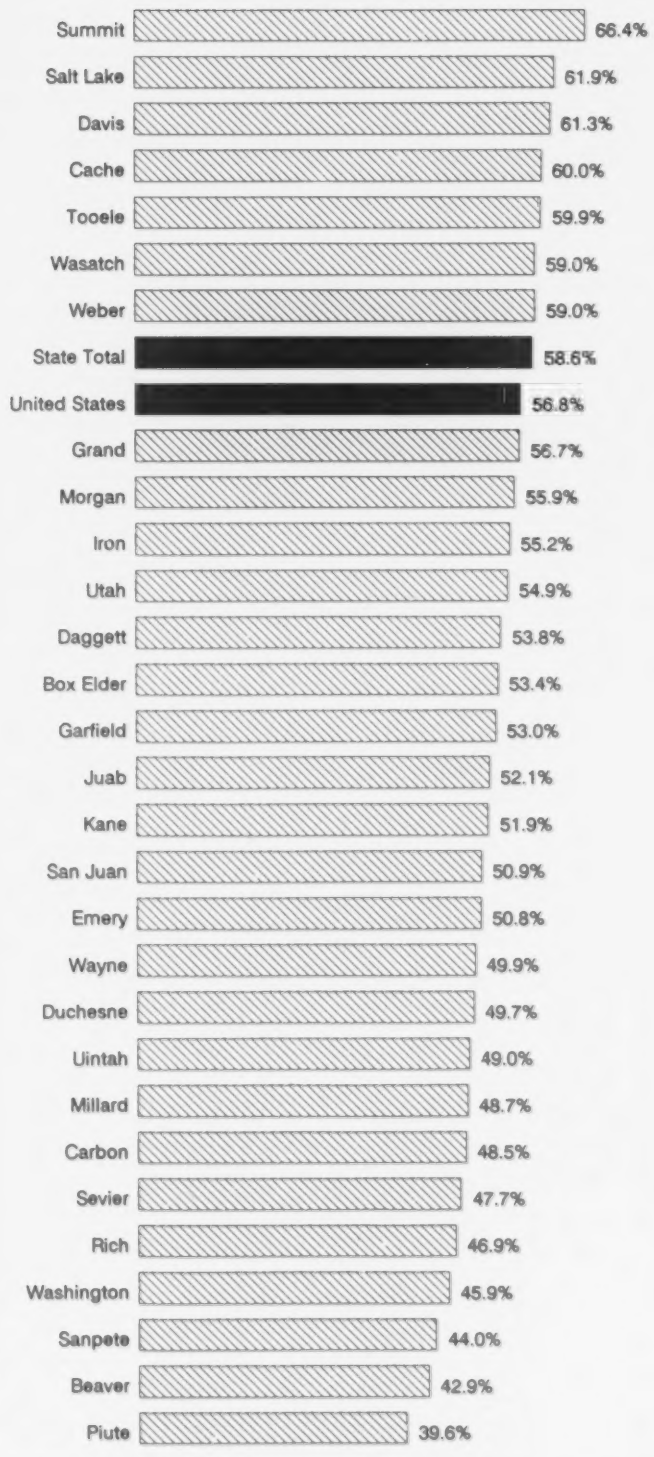
6%

What percent of eligible claimants received all of their unemployment insurance benefits?

21% ❐

Utah Female Labor Force Participation Rates

1990



Source: U.S. Department of Commerce, Bureau of the Census.

Utah Labor Market Report

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Notes

(f)—forecast.

(p)—preliminary.

(r)—revised.

Salt Lake/Ogden Metropolitan Statistical Area (MSA)—Salt Lake, Davis, and Weber counties.

Provo/Orem Metropolitan Statistical Area (MSA)—Utah County.

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